

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CCO-00 CIAE-00 OTPE-00

FCC-01 INR-10 NSAE-00 OC-06 USIA-06 COME-00

BIB-01 /045 W

-----121902 222306Z /63

R 222218Z FEB 78

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6400

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E.O. 11652:N/A

TAGS: ETEL, CA

SUBJECT: BORDER TV

REF: (A) MONROE/CLAPPIN TELECON; (B) OTTAWA A-30, FEB. 8, 1978.

1. AS BACKGROUND FOR INFORMATION TO BE PROVIDED TO AMERICAN BROADCASTERS' ASSOCIATION, FOLLOWING EMBASSY VIEWS SUPPLEMENT INDUSTRY VIEWS PROVIDED REPAIR.

(A) COMMERCIAL DELETION: CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC) CONTINUES TO SPECIFY IN LICENSES ISSUED TO CANADIAN CABLE OPERATORS THAT THEY MUST BE ABLE TO DELETE COMMERCIAL MESSAGES FROM SIGNALS RECEIVED FROM BROADCASTING STATIONS NOT LICENSED TO SERVE CANADA, IF AND WHEN REQUIRED TO DO SO BY CRTC. HOWEVER, WE SEE NO INDICATION THAT CRTC HAS ANY PLANS IN FORESEEABLE FUTURE TO EXPAND IMPLEMENTATION OF DELETION. THE PRESENT MORATORIUM WILL CONTINUE, WE BELIEVE, UNTIL AT LEAST THE RESULTS OF STUDIES OF THE EFFECTIVENESS OF BILL C-58 ARE COMPLETED. AS INDICATED REPAIR, CANADIAN INDUSTRY SOURCES BELIEVE THE MORATORIUM IS LIKELY TO BE CONTINUED INDEFINITELY.

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(B) BILL C-58: THE DEPARTMENT OF COMMUNICATIONS HAS JUST RECENTLY COMMISSIONED A STUDY OF THE EFFECT OF C-58; A REPORT IS EXPECTED NO EARLIER THAN THE LATTER PART OF THIS YEAR. WHILE REPORTS ALL INDICATE NO FIRM DATA IS YET AVAILABLE, CANADIAN INDUSTRY AND GOVERNMENT SEEM QUITE PLEASED WITH INITIAL INDICATIONS THAT C-58 IS EFFECTIVELY

TRANSFERRING BACK TO CANADA SIGNIFICANT AMOUNTS OF ADVERTISING REVENUE PREVIOUSLY SPENT FOR TIME ON US STATIONS. SEVERAL APPROACHES TO THE CANADIAN GOVERNMENT ON C-58 RECENTLY CONFIRM THERE IS NO DISPOSITION ON THE PART OF THE CANADIAN GOVERNMENT TO CONSIDER WITHDRAWING OR MODIFYING C-58. CERTAINLY NO SUCH ACTION WOULD BE CONSIDERED BEFORE THE STUDY OF ITS EFFECTIVENESS HAS BEEN COMPLETED AND THE RESULTS ANALYZED.

(C) PROGRAM SUBSTITUTION:

(I) AS DESCRIBED IN DETAIL IN REPAIR AND ITS ENCLOSURES, SIMULTANEOUS SUBSTITUTION, REQUIRED BY THE CRTC IN ITS APRIL 1976 RULE, IS HAVING A SIGNIFICANT EFFECT IN REDUCING THE FRAGMENTATION OF AUDIENCES IN TORONTO, AND PROBABLY IN OTHER AREAS AS WELL. THE CABLE TV ASSOCIATION ESTIMATES INCREASES OF 30 PERCENT IN AUDIENCES IN PRIME TIME FOR TORONTO TV STATIONS. CANADIAN BROADCASTERS, HOWEVER, DOUBT THAT THIS LEVEL WILL BE EXCEEDED DUE TO THE PROGRAMMING AND SCHEDULING DIFFICULTIES THEY WOULD ENCOUNTER IN TRYING TO MATCH THEIR SCHEDULES MORE CLOSELY WITH THOSE OF THE US NETWORKS.

(II) NON-SIMULTANEOUS SUBSTITUTION: THERE IS NO FORMAL PROPOSAL NOW BEFORE CRTC TO REQUIRE NON-SIMULTANEOUS SUBSTITUTION. BECAUSE OF THE WIDE DIFFERENCE OF OPINION OVER THE ISSUE BETWEEN THE CANADIAN BROADCASTERS, WHO LIMITED OFFICIAL USE

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FAVOR IT, AND THE CABLE OPERATORS WHO ARE OPPOSED, IF AND WHEN THE CRTC TAKES UP THE ISSUE A BATTLE-ROYAL CAN BE EXPECTED. NONETHELESS, THE BROADCASTERS CONSIDER MANDATORY NON-SIMULTANEOUS SUBSTITUTION AN ABSOLUTE REQUIREMENT TO PROTECT THEIR INTERESTS IN PROGRAM MATERIALS THEY HAVE PURCHASED AND CAN BE EXPECTED TO PRESS FOR ITS ADOPTION.

(D) LICENSING OF CANADIAN OPERATORS TO USE SIGNALS OF US TV STATIONS MORE DISTANT FROM THE BORDER: DURING THE PAST SEVERAL MONTHS, THE CRTC, IN ITS NORMAL LICENSING AND RELICENSING OF CABLE OPERATORS, HAS BEEN TENDING TOWARD LICENSING THEM TO MAKE USE OF SIGNALS OF US STATIONS LOCATED MORE DISTANT FROM THE US BORDER THAN HAD PREVIOUSLY BEEN THE CASE, (E.G., OTTAWA CABLE OPERATORS SINCE OCTOBER 1977 HAVE SWITCHED FROM WATERTOWN, PLATTSBURGH AND UTICA, NEW YORK TO ROCHESTER FOR THEIR MAJOR SOURCE OF SIGNALS). TO THE BEST OF OUR KNOWLEDGE, THESE CHANGES HAVE NOT BEEN FORMALLY DIRECTED BY CRTC. HOWEVER, SINCE THERE IS LESS LIKELIHOOD OF MORE DISTANT STATIONS SELLING ADVERTISING TIME IN THE CANADIAN MARKET, THE CABLE OPERATORS MAY WELL HAVE DECIDED IT IS TO THEIR ADVANTAGE TO REQUEST SUCH SWITCHES IN SIGNAL TO LESSEN CRTC PRESSURE FOR FURTHER

IMPLEMENTATION OF COMMERCIAL DELETION OR OTHER CONTROL OVER
THEIR OPERATIONS, (SEE OTTAWA A-344, DECEMBER 19, 1977).

(E) RESTRICTIONS ON THE IMPORTATION AND USE OF US PROGRAM
MATERIALS: WE HAVE NOT DETECTED ANY NEW CANADIAN GOVERNMENT
PLANS TO LIMIT THE USE OF US PROGRAMMING MATERIALS. THERE
IS ALREADY THE "CANADIAN CONTENT" REQUIREMENT OF CRTC THAT
60 PERCENT OF PRIME TIME PROGRAMMING MUST BE CANADIAN.
HOWEVER, BECAUSE OF THE ADVERSE PUBLIC REACTION THAT COULD
BE EXPECTED IF THIS WERE INCREASED FURTHER, WE DOUBT NEW
RESTRICTIONS ON THE USE OF US PROGRAM MATERIALS ARE LIKELY.

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2. COMMENT: C-58, MANDATORY SIMULTANEOUS SUBSTITUTION (AT
THE REQUEST OF THE CANADIAN BROADCASTERS), AND THE USE OF
MORE DISTANT SIGNALS BY CABLE OPERATORS ARE APPARENTLY
HAVING THE DESIRED EFFECT. MADAME SAUVE, THE COMMUNICATIONS
MINISTER, SAID IN A RECENT SPEECH BEFORE CANADIAN BROADCAST
EXECUTIVES IN TORONTO THAT THESE POLICY INITIATIVES
(INCLUDING THE NOW DORMANT DELETION POLICY) HAVE CREATED
A CLIMATE IN WHICH DOMESTIC CANADIAN TV HAS THE OPPORTUNITY
TO GROW. SHE CHARGED THE CANADIAN BROADCASTERS WITH THE
RESPONSIBILITY OF MAKING USE OF THEIR NEW REVENUES
RESULTING FROM THE GOVERNMENT'S ACTIONS TO PRODUCE MORE
AND BETTER CANADIAN PROGRAM MATERIALS. ENDERS

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LICENSES, TELEVISION BROADCASTING
Control Number: n/a
Copy: SINGLE
Draft Date: 22 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Disposition Reason:
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ISecure: 1
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Status: NATIVE
Subject: BORDER TV
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